
Transit Policy Panel

Final Report

December 12, 2000

Transit Policy Panel

John P. Davey
Co-Chairman

William K. Hellmann
Co-Chairman

December 12, 2000

The Honorable Parris N. Glendening
Governor of Maryland

The Honorable Thomas V. Mike Miller, Jr.
President of the Senate

The Honorable Casper R. Taylor, Jr.
Speaker of the House

Dear Governor, President, and Speaker:

The Transit Policy Panel was appointed earlier this year to study transit services in both the Baltimore and Washington regional areas, determine the feasibility of equity treatment between the regions, and project the service and financial requirements of implementing the Transit Advisory Panel recommendations. The Panel has completed its work and is pleased to submit for your consideration our findings and recommendations about the State's regional transit programs, and indications that growing transit needs will require plans and funding to meet the goal of one million riders a day by 2020. The enclosed report was endorsed by 13 Panel members, 3 members objected to the report release, and 2 abstained from voting.

Over the past three months, the Panel studied the demographics and travel patterns in the Baltimore and Washington regions, and the transit system structure in those regions. In addition, locally operated transit service providers from Allegany, Montgomery, Prince George's, and Wicomico counties plus the Town of Ocean City gave their perspective on the impact of changing demographics upon their services. The Panel used this information to understand the differences between the regions, their future needs for transit services, and additional transit funding to maintain and expand the transportation infrastructure to support the business and mobility needs of their citizens.

The findings and recommendations of the Panel aspire to guide the State toward ideas that will improve upon the existing multi-modal transportation network while at the same time support Smart Growth policies and regulations. To maintain a viable transportation system, the Panel has determined the Baltimore and Washington regions possess unique characteristics that create different transit demands for each region. A lack of available resources has limited

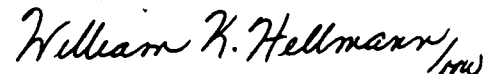
significant implementation of the Transit Advisory Panel recommendations. To meet the goals of the Transit Advisory Panel, the Panel recommends the State continue equitable funding of the two major transit systems and locally operated transit systems based on need and services that best serve the citizens of Maryland. The Panel has identified primary areas where funding should be focused. Achievement of Transit Advisory Panel goals and the Commission on Transportation Investment recommendations will ultimately require funding sources beyond the traditional trust fund revenues. We hope the report is helpful to you and the members of the General Assembly during its development of transportation policy.

In closing, we want to thank all members of the Panel for their attentiveness and active participation in dealing with a topic that is important to the mobility challenges of the State.

Sincerely,

Handwritten signature of John P. Davey in cursive script, followed by a handwritten "HW" in the bottom right corner.

John P. Davey
Co-Chairman

Handwritten signature of William K. Hellmann in cursive script, followed by a handwritten "HW" in the bottom right corner.

William K. Hellmann
Co-Chairman

cc: Members of the Panel

Transit Policy Panel Membership

Co-Chairmen

Mr. John P. Davey
Mr. William K. Hellmann

Members

Senator Ulysses Currie
Delegate George C. Edwards
Secretary T. Eloise Foster
Delegate Peter Franchot
Mr. Stephen J. Del Giudice
Delegate Sheila E. Hixson
Senator Barbara A. Hoffman
Delegate Carolyn J. B. Howard
Delegate Verna Jones
Senator Martin G. Madden
Senator Thomas M. Middleton
Mr. Ralph E. Moore, Jr.
Senator Robert R. Neall
Secretary John D. Porcari
Delegate James F. Ports, Jr.
Senator Ida G. Ruben

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House Bill 1248

Increasing transit ridership over the next 20 years is essential to meet the mobility challenge facing the State. Creating the capacity and providing the expanded service to reach the goal of one million riders a day will cost approximately \$1.1 billion annually for preservation, operating and capital expansion. With the enactment of legislation this year to lower the farebox recovery requirement to 40 percent, we have the opportunity to move forward towards this goal. For this reason, the Governor and General Assembly requested the Panel to study and make recommendations on:

- Similarities and differences in service policies and demographic needs for the transit services, including locally operated bus services as well as rail services, in both the Baltimore regional area and the Washington regional area;
- Viability and feasibility of parity treatment between the two regional transit areas, as recommended by the recent Commission on Transportation Investment; and
- Projections on necessary services and costs, including funding requirements and farebox recovery requirements, to implement the recent Transit Advisory Panel recommendations, including the short-term and long-term impact on the State Transportation Trust Fund.

Definitions

- Baltimore Region consists of the following Maryland jurisdictions:
Anne Arundel County, Baltimore County, Baltimore City, Carroll County, Harford County, Howard County, Queen Anne's County
- Washington Region consists of the following Maryland counties:
Calvert County, Charles County, Frederick County, Montgomery County, Prince George's County

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- Locally operated transit service is any small urban or rural transit system operation in the State.
- Locally operated transit services are included in each Region to the extent funded by the State.

Findings

Unique Characteristics:

The Baltimore and Washington Regions possess unique characteristics that create different transit demands for each region. Besides being home to the Nation's Capitol, the Washington region consists of service industries; lacks significant intermodal freight traffic; and has an affluent population, a city-center orientation, a distinctive employment base, and is a multi-state region. The Baltimore region contains a northeast port city with an economy in transition from manufacturing to service industries, a comprehensive intermodal freight network, a less affluent population, and a history of following national patterns of change.

Travel Patterns:

Inter-regional travel between the regions is distinctly different with only two percent of the travel trips coming into the Baltimore Region from Washington. However, 15 percent of the Baltimore Region travel trips are made into the Washington Region. Transportation patterns are somewhat similar in the two regions. Travel flows show 47 percent of the residents in the Maryland counties of the Washington Region work within their county, 21 percent commute into the District, and 19 percent travel into the District or Maryland suburbs. In Washington, transit is an accepted alternative transportation method, there are long travel distances, high Federal presence, and an emphasis on the extensive rail and supporting bus system. In the Baltimore Region, 49 percent of the residents work within their county, 24 percent commute into Baltimore City, and 17 percent travel to the Baltimore

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suburbs for employment. Transit dependence is the primary reason for the extensive bus network that is supported by a limited rail network.

Federal Investment:

Federal investment in the entire Washington Metro Rail system over the past 20 years has been significant. Of a total investment of \$9.4 billion, 68 percent, or \$6.4 billion has come from the Federal government. For the Maryland portion, the State received \$2.2 billion in federal funds out of a total cost of \$3 billion for the Maryland sections of the Washington Metro 103-Mile system and Addison Road Metro Rail Extension. For the Baltimore Metro Subway and Light Rail systems, Maryland received \$1 billion in federal funds out of \$1.6 billion in total project costs. This equates to federal funding levels of 71% for the Maryland portion of the Washington Metro Rail system while the Baltimore systems received 63%. Future rail extensions or systems must compete for federal funding and are not likely to receive such levels of federal support requiring more State funds.

Physical Composition of Systems:

There are major differences in the physical makeup of each system because the Washington service is primarily rail based and the Baltimore service is bus based. The Washington Metro Rail has 78 stations serving a 96-mile system covering the District of Columbia, Maryland and Virginia, which will expand to 103 miles and 83 stations by January 2001. The Washington Metropolitan Area Transit Authority (WMATA) utilizes 764 Metrorail vehicles, and a fleet of 1,300 buses provides connecting service. Baltimore Metro Subway is 15.5 miles long with 14 stations serving downtown and suburban Baltimore, 100 rail cars are available for service, and there is access to a bus system with over 1,000 vehicles. In addition to the Metro Subway, a 30-mile Light Rail line with 32 stations and 35 cars operates between the Baltimore suburbs, downtown and the Baltimore Washington International Airport.

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MARC Trains:

MARC service provides commuter rail support to both the Washington and Baltimore regions. The 187-mile, 40-station system serves Washington, D.C., Baltimore City, seven Maryland counties, and parts of northeastern West Virginia. Much of the 3-line service is oriented towards Washington with the Brunswick Line running from Martinsburg, West Virginia through Brunswick, Maryland to Union Station in Washington. The Camden Line runs from Camden Station in Baltimore City to Union Station. The Penn Line connects Perryville, Penn Station in Baltimore, Baltimore-Washington International Airport and Union Station.

Local Transit Services:

Rural and small urban public transit services operate in 23 Maryland counties plus the City of Annapolis, Baltimore City, and the Town of Ocean City under Statewide Transportation Programs. These locally operated transit services provide the residents of rural and small urban areas with transportation to reach activities both within their communities and in nearby urbanized areas. Several legislatively authorized programs provide Federal, State and local funding for these transit services. To meet the Transit Advisory Panel recommendations, additional resources must be added to these programs.

Regional Transit Services:

Transit service in the regions differs, as well. Washington service is primarily a rail system with a supporting bus network operating 7 days a week, with average subway/bus fares of \$1.58/\$.70, and 109 million Maryland and local service riders annually. Of the 109 million Maryland riders, The Bus and Ride On connect 21 million riders with Metro services annually through their local service to Maryland counties. Baltimore service is primarily a bus system with limited rail support operating 7 days a week

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with no Sunday subway service and an average bus/subway/light rail fare of \$.77. There are 96 million riders annually.

Regional Vision:

The vision for each region is an image of the composition of its transit network. The Washington Region focuses on enhancing its existing rail and bus services to (1) meet current and anticipated ridership growth, (2) develop cost effective extensions of its rail network into the Virginia and Maryland suburbs, and (3) increase its connections with local bus service such as The Bus and Ride On. Initiated by Virginia and Maryland legislators, a new multi-state task force has begun discussing regional transportation needs and patterns. The Baltimore Region focuses on (1) improving and expanding the bus system, (2) enhancing the system connectivity, and (3) addressing changing transit patterns with future rail additions.

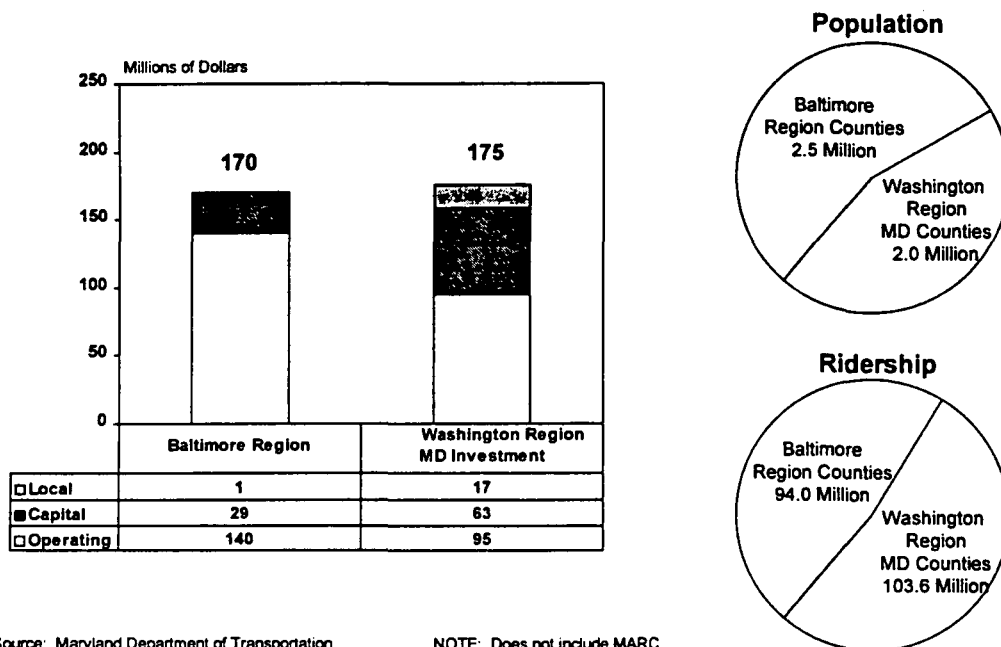
Use of State Funds:

A difference is reflected in the use of State funding over the past five years. The State Participation chart on the next page shows, Baltimore and Washington have received \$170 and \$175 million, respectively, in operating and capital funding per year. Washington used 54 percent on operations, 36 percent on capital and 10 percent on local operating and capital services. The high capital investment in Washington reflects the effort to complete the 103-mile system and will translate into increased operating costs in future years. Baltimore used 83 percent on operations, 17 percent on capital and a minimal amount on local operating and capital service. The high operating spending shows the bus focus of the Baltimore Region that will grow as service improvements and expansion takes place.

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State Participation

Five Year Average 1996-2000



Annual State investment in the regions based on population has been \$68 per person in Baltimore and \$88 per person in Washington. Annual investment per rider is \$1.80 in the Baltimore region and \$1.70 in Washington.

Future State Funding:

In the next six years, the Washington and Baltimore systems are projected to receive \$229 and \$212 million, respectively, in annual operating and capital funds (capital funds include the transfer of General Funds for the Addison Road Metro Rail extension). The Washington Region is projected to use 61 percent on operations, 30 percent on capital, and 9 percent on local services. The Baltimore Region is projected to use 81 percent on operations, 17 percent on capital, and 2 percent on local service.

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Local Transit Service Funding:

Local transit service providers in the rural areas and towns have increasing demands for service and will need additional funding to expand services based on projected population changes and economic development initiatives. Their farebox recovery is usually well below the 40 percent minimum mandate set by the legislature. Farebox for rural services averages around 15 percent and urban services 27 percent.

Farebox:

The current 40 percent minimum farebox mandate limits the Baltimore Region's ability to increase and improve transit services for its riders. With the high cost recovery generated by the Washington MetroRail (the second highest in the Nation), the farebox mandate has limited effect upon the Washington Region's ability to provide additional services.

Transit Advisory Panel Recommendations:

The Transit Advisory Panel (TAP) report, completed in January 1999, included nine themes that have been incorporated into the Maryland Comprehensive Transit Plan (MCTP). Lack of available resources has limited significant implementation of the TAP recommendations. Plan initiatives, which are funded, barely begin the service improvements and expansion projects necessary to move one million riders a day by the year 2020.

Alternative Funding:

The use of alternative funding sources for transportation has begun with the transfer of General Funds for two large transportation projects, the Woodrow Wilson Bridge replacement and the Addison Road Metro Rail Extension.

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Recommendations

1. The areas are different and have very different transportation needs. The State should continue equitable funding of the two major systems and locally operated transit systems based on need and services that best serve the citizens of Maryland. Any future funding programs should be fairly distributed to meet the diverse needs of the State's transit services.
2. The plans for meeting the mobility needs of the two major systems and the locally operated systems are also different. Funding should be provided to meet these growing Statewide needs, including:
 - Increasing system preservation needs of both regional systems;
 - Improvement of the Baltimore Region bus service and facilities;
 - Enhance the existing Washington system to meet increased ridership demands;
 - Expand the Washington system into Maryland counties, such as the Addison Road Extension and The Purple Line;
 - Expand the Baltimore system to provide connectivity among the several modes of transit;
 - Extend transit services to other employment centers and add services to create a true transit network;
 - Improve delivery of transit education information;
 - Address viability and enhancement of MARC system to meet recommendations of TAP;
 - Use of standard fare medium between all connecting transit systems; and
 - Increase support to locally operated transit systems as population shifts change service requirements.

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3. The 40 percent farebox recovery mandate should be eliminated and replaced with objective performance indicators and management audits. Farebox recovery should be retained only as a performance indicator along with operating expense per vehicle mile, operating expense per passenger trip, and passenger trips per vehicle mile.
4. Transit Advisory Panel goals and the Commission on Transportation Investment recommendations can only be achieved if additional funds are available. Because traditional revenue sources cannot provide sufficient revenue to meet the needs of the State, counties and local transit service providers, it will be necessary to expand the sources of revenue available for financing transportation beyond the existing gas tax and titling fees. The use of General Fund surpluses to finance the replacement of the Woodrow Wilson Bridge and Addison Road Extension are examples of expansion in transportation financing. The Administration and General Assembly should give consideration to other potential sources of revenue including increasing tax rates, changing tax allocations; and developing alternative funding sources such as public/private partnerships, congestion pricing, and privatization.
5. Consideration should be given to the creation of a Transit Advisory Committee to provide advice and guidance to the Mass Transit Administration. This Committee should include representatives of local jurisdictions, communities, business, and transit customers.